

University of Michigan-Ann Arbor

One of the nation's Best Workplaces for CommutersSM since 2003, the University of Michigan-Ann Arbor is proving that being savvy in the use of commuter benefits can save money. By offering a comprehensive commuter benefits program, including exemplary transit benefits, the University has avoided building more than 1,300 parking spaces alone, saving nearly \$17 million in new parking construction expenses.

A Giant-Sized Parking Problem

With nearly 28,000 employees and 34,000 students, the University of Michigan is virtually a city unto itself, and it continues to grow. Over the past five years, the school has hired 5,000 employees while at the same time it has lost 2,000 parking spaces to new construction projects—dramatically increasing the demand for parking on campus.

Faced with this challenge, the University could have taken a common, but increasingly expensive, approach—simply building new parking spaces. However, with a price tag of several million for a new parking garage and surface lots, the University was not eager to invest in more parking, not to mention adding to the region's growing air quality and congestion concerns.

After conducting a detailed cost-benefit analysis, the school went with a more progressive approach. They decided to combat the parking crunch with commuter benefits. The results of their analysis showed that an annual investment of \$700,000 in commuter benefits could decrease the need for new proposed parking structures. It also saved space on campus for a more important use—providing educational facilities for students.

"Our parking challenges are not unlike those facing many other universities around the country, but in keeping with our school's environmental ethic, we recognize the value of commuter benefits—both to our school and to the local environment. Recognition as one of the Best Workplaces for CommutersSM adds even more value to our programs."

—David Miller,
Director of Parking and
Transportation Services

At-A-Glance

Saved \$17 million in construction costs by reducing parking demand by 1,300 spaces.

Employer: University of Michigan

Location: Ann Arbor, Michigan

BWC Since: 2003

Commuter Benefits:

Free bus passes

Subsidized vanpool

Park-and-ride lots

Preferred vanpool parking

Membership in a TMA

Electric bicycle recharging stations



Making A Campus-Wide Commitment

To ease the demand for parking, the school took a multi-faceted approach: free bus passes for all students and employees, subsidized vanpools managed by an outside expert, and a host of other supporting benefits.

The school actually began offering free bus passes to employees in 1997, limiting the availability of the passes to those who did not purchase the \$500 annual parking pass. Under this program, the University distributed approximately 3,000 passes each year. In 2004, the University expanded the program in an effort to increase ridership and

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quell parking demand. As part of this effort, the school negotiated an agreement with the Ann Arbor Transportation Authority (AATA) to provide free rides on the AATA city buses. Now all students and employees ride for free, regardless of whether they purchased a parking pass. As a result, ridership increased nearly 40 percent in the fall of 2004, translating into another 1,000 taking the bus every day.

The school's vanpool program is also on the rise. Subsidized since 2001, the vans now take nearly 300 University employees to work every day, taking advantage of preferred parking spots on campus. In 2003, the University outsourced administration of the program to MichiVan, a subsidiary of VPSI, Inc.

According to the University, MichiVan has strengthened the program by beefing up marketing efforts and streamlining the vanpool matching service. The University believes the program will continue to improve and further alleviate the campuswide parking shortage.

In addition to these principle benefits, the University offers electric bicycle recharging stations, bicycle lockers and showers, and is an active member in Washtenaw County's transportation management association. The University Parking and Transportation Services department works closely with AATA to ensure that the city's public transit system meets the University's needs. The University also offers employees access to five park-and-ride lots. Each day, approximately 1,800 employees make use of the lots, located between one-half and three miles from the University.



Employees and students board a campus bus

Poised for the Future

"I guess you could say we had seventeen million reasons why we made the right decision," said David Miller, Director of Parking and Transportation Services. "Thanks to the success of our bus pass, vanpool, and park-and-ride programs, our parking situation has actually improved over the past five years—despite our growing population." In addition to saving money, the University has helped curb air pollution in the region. Each year, the University's comprehensive commuter programs save more than one million gallons of gas, preventing more than 1,400 metric tons of CO₂ and 29 tons of NO_x from polluting the air.

According to Miller, taking the time to understand why people drive alone to work has been one of the keys to the program's success. For example, employees perceived that driving alone was cheaper than taking the bus—so the school raised the price of campus parking passes to more closely reflect the true cost of parking. Next, employees thought that parking at park-and-ride lots would be a slow way to get to work—so he increased the frequency of bus stops at the lots. Now, employees only wait a maximum of ten minutes to catch a bus to the main campus.

Miller recommends working closely with a local transportation authority, since these groups already have a system in place for schools to build upon. Transportation coordinators should also evaluate the pricing of their parking passes—a small price increase can encourage many employees to use public transit. Finally, he suggested simply keeping an open mind when seeking solutions to parking crises. If you look beyond parking lots, you can find big savings.



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